Filing at a Glance

Company: Allstate Insurance Company

Product Name: Landlords Package Policy
SERFF Tr Num: ALSX-125490736
State: Arkansas

TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability
SERFF Status: Closed
State Tr Num: EFT $100

Sub-TOI: 05.0003 Commercial Package
Co Tr Num: R19560
State Status: Fees verified and received

Filing Type: Rate
Co Status:
Reviewer(s): Betty Montesi, Llyweyia Rawlins, Brittany Yielding

Author: SPI AllState
Disposition Date: 02/25/2008

Date Submitted: 02/15/2008
Disposition Status: Exempt from Review

Effective Date Requested (New): 04/21/2008
Effective Date (New): 04/21/2008

Effective Date Requested (Renewal): 06/05/2008
Effective Date (Renewal): 06/05/2008

State Filing Description:

General Information

Project Name: Rate Filing
Status of Filing in Domicile: Not Filed

Project Number: R19560
Domicile Status Comments:

Reference Organization:
Reference Number:

Reference Title:
Advisory Org. Circular:

Filing Status Changed: 02/25/2008

State Status Changed: 02/25/2008
Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Attached are exhibits supporting an overall 10.2% increase to the Arkansas Allstate Insurance Company Landlords Package Policy Program. With this filing, Allstate is proposing a flat base rate increase. Based on 2007 written premium at current rate level of $3,080,546, this rate change will generate approximately $314,216 in additional annual premium.

We are targeting an implementation date of April 21, 2008 for all new business written and renewals processed on or after April 21, 2008 and renewal business effective on or after June 5, 2008.

Company and Contact

Filing Contact Information

Carrie Deppe, Assistant State Filings Manager cdepp@allstate.com
2775 Sanders Road (847) 402-2774 [Phone]
Northbrook, IL 60062 (847) 402-9757[FAX]

Filing Company Information

Allstate Insurance Company	CoCode: 19232	State of Domicile: Illinois
2775 Sanders Road	Group Code: 8	Company Type: Property and Casualty
Suite A5		
Northbrook, IL 60062	Group Name: Allstate	State ID Number:
(847) 402-5000 ext. [Phone]	FEIN Number: 36-0719665	

Filing Fees

Fee Required?	Yes
Fee Amount:	$100.00
Retaliatory?	No
Fee Explanation:	Rate filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Allstate Insurance Company	$100.00	02/15/2008	18005926

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Exempt from Review	Llyweyia Rawlins	02/25/2008	02/25/2008

Disposition

Disposition Date: 02/25/2008
Effective Date (New): 04/21/2008
Effective Date (Renewal): 06/05/2008
Status: Exempt from Review
Comment:
This line is exempt from filing rates in compliance with ACA 23-67-206 which states that P&C insurance for commercial risks, excluding workers' compensation, employers' liability and professional liability insurance, including but not limited to, medical malpractice insurance, are exempted from the rate filing and review requirements.

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Allstate Insurance Company	10.200%	$314,216	5,746	$3,080,546	12.400%	6.700%	%

Item Type	Item Name	Item Status	Public Access
Supporting Document	AR - NAIC P&C TRANSMITTAL DOCUMENT, RateRuleSchedule01.doc, StateFilingForms01.doc, OtherActSupport01.pdf	Accepted for Informational Purposes	Yes
Rate	ManualR19560.pdf	Accepted for Informational Purposes	Yes
Rate	CheckingListR19560.pdf	Accepted for Informational Purposes	Yes

Rate Information

Rate data applies to filing.

Filing Method:	File and Use
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	8.800%
Effective Date of Last Rate Revision:	03/20/2006
Filing Method of Last Filing:	File and Use

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Allstate Insurance Company	%	10.200%	$314,216	5,746	$3,080,546	12.400%	6.700%

Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Accepted for Informational Purposes	ManualR19560.pdf	R19560	Replacement	AR-PC-06-018224	R19560.PDF
Accepted for Informational Purposes	CheckingListR19560.pdf	R19560	New		R19560.PDF

~~$100,000 LIABILITY, $1,000 MEDICAL~~
~~$ 250 DEDUCTIBLE~~

BRICK, BRICK VENEER CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 469	$ 938	$ 828	$1090	$ 81,000	$ 699	$1396	$1233	$1623
35,000	483	965	852	1122	82,000	708	1414	1249	1644
40,000	497	993	877	1154	83,000	716	1432	1264	1664
45,000	511	1020	901	1186	84,000	725	1449	1280	1685
50,000	524	1048	925	1218	85,000	734	1467	1295	1705
51,000	527	1053	930	1224	86,000	743	1485	1311	1726
52,000	530	1059	935	1231	87,000	752	1502	1327	1746
53,000	533	1064	940	1237	88,000	761	1520	1342	1767
54,000	535	1070	945	1244	89,000	769	1538	1358	1787
55,000	538	1075	950	1250	90,000	778	1555	1373	1808
56,000	541	1081	955	1256	91,000	787	1573	1389	1828
57,000	544	1086	959	1263	92,000	796	1591	1405	1849
58,000	546	1092	964	1269	93,000	805	1608	1420	1869
59,000	549	1097	969	1276	94,000	814	1626	1436	1890
60,000	552	1103	974	1282	95,000	822	1643	1451	1910
61,000	559	1117	987	1299	96,000	831	1661	1467	1931
62,000	566	1131	998	1314	97,000	840	1679	1482	1951
63,000	573	1145	1011	1331	98,000	849	1696	1498	1972
64,000	580	1158	1023	1346	99,000	858	1714	1514	1992
65,000	587	1172	1035	1363	100,000	867	1732	1529	2013
66,000	593	1186	1047	1378	101,000	875	1749	1545	2033
67,000	601	1200	1060	1395	102,000	884	1766	1559	2052
68,000	607	1213	1071	1410	103,000	893	1784	1575	2073
69,000	614	1228	1084	1427	104,000	901	1800	1590	2092
70,000	621	1241	1096	1442	105,000	910	1818	1605	2113
71,000	628	1255	1108	1459	110,000	953	1904	1681	2213
72,000	635	1268	1120	1474	120,000	1039	2076	1833	2413
73,000	642	1283	1133	1491	130,000	1125	2248	1985	2613
74,000	649	1296	1144	1506	140,000	1211	2420	2137	2813
75,000	656	1310	1157	1523	150,000	1297	2592	2289	3013
76,000	662	1324	1169	1538	160,000	1380	2758	2435	3205
77,000	670	1338	1181	1555	170,000	1463	2923	2581	3397
78,000	676	1351	1193	1570	180,000	1546	3088	2727	3590
79,000	683	1366	1206	1587	190,000	1628	3254	2873	3782
80,000	690	1379	1218	1603	200,000	1711	3419	3019	3974
					EACH ADDITIONAL $5,000	41	83	73	96

$ 100 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 1.200
$ 500 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.875
$ 1000 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.788

~~$100,000 LIABILITY, $1,000 MEDICAL~~
~~$ 250 DEDUCTIBLE~~
FRAME CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	*	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 502	$ 741	$ 959	$1199	*	$ 81,000	$ 747	$1104	$1428	$1785
35,000	516	763	987	1234	*	82,000	756	1118	1446	1808
40,000	531	785	1015	1269	*	83,000	766	1132	1464	1830
45,000	546	807	1043	1304	*	84,000	775	1146	1482	1853
50,000	561	828	1072	1340	*	85,000	785	1160	1500	1875
51,000	563	833	1077	1347	*	86,000	794	1174	1518	1898
52,000	566	837	1083	1354	*	87,000	804	1188	1536	1920
53,000	569	841	1089	1361	*	88,000	813	1202	1554	1943
54,000	572	846	1094	1368	*	89,000	822	1216	1572	1966
55,000	575	850	1100	1375	*	90,000	832	1230	1590	1988
56,000	578	855	1105	1382	*	91,000	841	1243	1609	2011
57,000	581	859	1111	1389	*	92,000	851	1257	1627	2033
58,000	584	863	1117	1396	*	93,000	860	1271	1645	2056
59,000	587	868	1122	1403	*	94,000	870	1285	1663	2078
60,000	590	872	1128	1410	*	95,000	879	1299	1681	2101
61,000	598	883	1143	1428	*	96,000	889	1313	1699	2123
62,000	605	894	1156	1445	*	97,000	898	1327	1717	2146
63,000	612	905	1171	1464	*	98,000	907	1341	1735	2169
64,000	620	916	1184	1481	*	99,000	917	1355	1753	2191
65,000	627	927	1199	1499	*	100,000	926	1369	1771	2214
66,000	634	937	1213	1516	*	101,000	936	1383	1789	2236
67,000	642	949	1227	1534	*	102,000	945	1396	1806	2257
68,000	649	959	1241	1551	*	103,000	954	1410	1824	2280
69,000	657	971	1255	1569	*	104,000	963	1423	1841	2301
70,000	664	981	1269	1586	*	105,000	972	1437	1859	2324
71,000	671	992	1284	1605	*	110,000	1018	1505	1947	2434
72,000	679	1003	1297	1622	*	120,000	1110	1641	2123	2654
73,000	686	1014	1312	1640	*	130,000	1202	1777	2299	2874
74,000	693	1025	1325	1657	*	140,000	1294	1913	2475	3094
75,000	701	1036	1340	1675	*	150,000	1387	2049	2651	3314
76,000	708	1046	1354	1692	*	160,000	1475	2180	2820	3525
77,000	716	1058	1368	1710	*	170,000	1564	2311	2989	3737
78,000	723	1068	1382	1727	*	180,000	1652	2442	3158	3948
79,000	730	1080	1396	1746	*	190,000	1741	2572	3328	4160
80,000	738	1090	1410	1763	*	200,000	1829	2703	3497	4371
						EACH ADDITIONAL $5,000	44	65	85	106

$ 100 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 1.200
$ 500 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.875
$ 1000 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.788

$100,000 LIABILITY, $1,000 MEDICAL

$ 250 DEDUCTIBLE

BRICK, BRICK VENEER CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 356	$ 533	$ 676	$ 890	$ 81,000	$ 530	$ 794	$1006	$1326
35,000	367	549	696	916	82,000	537	804	1019	1342
40,000	377	564	716	942	83,000	544	814	1032	1359
45,000	388	580	735	968	84,000	551	824	1045	1376
50,000	398	596	755	995	85,000	557	834	1057	1393
51,000	400	599	759	1000	86,000	564	844	1070	1409
52,000	402	602	763	1005	87,000	571	854	1083	1426
53,000	404	605	767	1010	88,000	577	864	1096	1443
54,000	406	608	771	1016	89,000	584	874	1108	1460
55,000	409	611	775	1021	90,000	591	884	1121	1476
56,000	411	614	779	1026	91,000	597	894	1134	1493
57,000	413	618	783	1031	92,000	604	904	1146	1510
58,000	415	621	787	1037	93,000	611	914	1159	1527
59,000	417	624	791	1042	94,000	618	924	1172	1543
60,000	419	627	795	1047	95,000	624	934	1185	1560
61,000	424	635	805	1061	96,000	631	944	1197	1577
62,000	429	643	815	1073	97,000	638	954	1210	1594
63,000	435	651	825	1087	98,000	644	964	1223	1610
64,000	440	658	835	1099	99,000	651	974	1235	1627
65,000	445	667	845	1113	100,000	658	984	1248	1644
66,000	450	674	855	1126	101,000	665	994	1261	1661
67,000	456	682	865	1139	102,000	671	1004	1273	1676
68,000	461	690	875	1152	103,000	678	1014	1286	1693
69,000	466	698	885	1165	104,000	684	1023	1297	1709
70,000	471	705	894	1178	105,000	691	1033	1310	1725
71,000	477	714	905	1191	110,000	723	1082	1372	1807
72,000	482	721	914	1204	120,000	789	1180	1496	1970
73,000	487	729	925	1218	130,000	854	1278	1620	2134
74,000	492	737	934	1230	140,000	919	1376	1744	2297
75,000	498	745	944	1244	150,000	985	1473	1868	2460
76,000	503	752	954	1256	160,000	1048	1568	1988	2618
77,000	508	761	964	1270	170,000	1110	1662	2107	2775
78,000	513	768	974	1283	180,000	1173	1756	2226	2932
79,000	519	776	984	1296	190,000	1236	1850	2345	3089
80,000	524	784	994	1309	200,000	1299	1944	2465	3246
					EACH ADDITIONAL $5,000	31	47	60	79

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~~$100,000 LIABILITY, $1,000 MEDICAL~~
~~$ 250 DEDUCTIBLE~~
FRAME CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	*	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 409	$ 604	$ 783	$ 978	*	$ 81,000	$ 609	$ 900	$1166	$1456
35,000	421	622	806	1006	*	82,000	617	912	1181	1474
40,000	433	640	829	1035	*	83,000	624	923	1195	1493
45,000	445	658	852	1064	*	84,000	632	934	1210	1511
50,000	457	675	875	1093	*	85,000	640	946	1225	1530
51,000	459	679	880	1098	*	86,000	647	957	1240	1548
52,000	462	683	884	1104	*	87,000	655	968	1254	1566
53,000	464	686	889	1110	*	88,000	663	980	1269	1585
54,000	467	690	893	1116	*	89,000	671	991	1284	1603
55,000	469	693	898	1121	*	90,000	678	1003	1299	1622
56,000	471	697	903	1127	*	91,000	686	1014	1313	1640
57,000	474	700	907	1133	*	92,000	694	1025	1328	1658
58,000	476	704	912	1139	*	93,000	701	1037	1343	1677
59,000	479	707	916	1144	*	94,000	709	1048	1358	1695
60,000	481	711	921	1150	*	95,000	717	1059	1372	1714
61,000	487	720	933	1165	*	96,000	724	1071	1387	1732
62,000	493	729	944	1179	*	97,000	732	1082	1402	1750
63,000	499	738	956	1194	*	98,000	740	1094	1416	1769
64,000	505	747	967	1208	*	99,000	747	1105	1431	1787
65,000	511	756	979	1222	*	100,000	755	1116	1446	1806
66,000	517	764	990	1236	*	101,000	763	1128	1461	1824
67,000	523	774	1002	1251	*	102,000	770	1138	1475	1841
68,000	529	782	1013	1265	*	103,000	778	1150	1489	1860
69,000	535	791	1025	1280	*	104,000	785	1160	1503	1877
70,000	541	800	1036	1294	*	105,000	793	1172	1518	1895
71,000	547	809	1048	1309	*	110,000	830	1227	1590	1985
72,000	553	818	1059	1323	*	120,000	905	1338	1733	2164
73,000	559	827	1071	1337	*	130,000	980	1449	1877	2344
74,000	565	835	1082	1351	*	140,000	1055	1560	2021	2523
75,000	571	845	1094	1366	*	150,000	1130	1671	2164	2703
76,000	577	853	1105	1380	*	160,000	1203	1778	2303	2875
77,000	583	862	1117	1395	*	170,000	1275	1884	2441	3048
78,000	589	871	1128	1409	*	180,000	1347	1991	2579	3220
79,000	595	880	1140	1424	*	190,000	1419	2097	2717	3393
80,000	601	889	1151	1438	*	200,000	1491	2204	2855	3565
						EACH ADDITIONAL $5,000	36	53	69	86

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$ 1000 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.788

$100,000 LIABILITY, $1,000 MEDICAL
$ 250 DEDUCTIBLE
BRICK, BRICK VENEER CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 313	$ 471	$ 595	$ 784	$ 81,000	$ 466	$ 701	$ 886	$1167
35,000	322	485	613	807	82,000	472	710	897	1182
40,000	331	499	630	830	83,000	478	719	909	1197
45,000	340	512	648	853	84,000	484	728	920	1212
50,000	350	526	665	876	85,000	489	737	931	1226
51,000	351	529	669	881	86,000	495	746	942	1241
52,000	353	532	672	885	87,000	501	755	953	1256
53,000	355	535	676	890	88,000	507	763	965	1271
54,000	357	537	679	894	89,000	513	772	976	1285
55,000	359	540	683	899	90,000	519	781	987	1300
56,000	361	543	686	904	91,000	525	790	998	1315
57,000	362	546	690	908	92,000	531	799	1009	1330
58,000	364	548	693	913	93,000	537	808	1021	1344
59,000	366	551	697	917	94,000	542	817	1032	1359
60,000	368	554	700	922	95,000	548	825	1043	1374
61,000	373	561	709	934	96,000	554	834	1054	1389
62,000	377	568	718	945	97,000	560	843	1065	1403
63,000	382	575	727	957	98,000	566	852	1077	1418
64,000	386	582	735	968	99,000	572	861	1088	1433
65,000	391	589	744	980	100,000	578	870	1099	1448
66,000	396	596	753	991	101,000	584	879	1110	1462
67,000	400	603	762	1003	102,000	589	887	1121	1476
68,000	405	609	770	1014	103,000	595	896	1132	1491
69,000	410	617	779	1026	104,000	601	904	1142	1505
70,000	414	623	788	1037	105,000	606	913	1154	1519
71,000	419	630	797	1049	110,000	635	956	1208	1591
72,000	423	637	805	1060	120,000	693	1043	1317	1735
73,000	428	644	814	1072	130,000	750	1129	1427	1879
74,000	432	651	823	1083	140,000	807	1215	1536	2023
75,000	437	658	832	1095	150,000	865	1302	1645	2167
76,000	442	665	840	1106	160,000	920	1385	1750	2305
77,000	446	672	849	1118	170,000	975	1468	1855	2443
78,000	451	679	858	1129	180,000	1030	1551	1960	2582
79,000	456	686	867	1141	190,000	1086	1634	2065	2720
80,000	460	693	875	1153	200,000	1141	1717	2170	2858
					EACH ADDITIONAL $5,000	28	42	53	69

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~~$100,000 LIABILITY, $1,000 MEDICAL~~
~~$ 250 DEDUCTIBLE~~

FRAME CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	*	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 360	$ 533	$ 690	$ 863	*	$ 81,000	$ 537	$ 794	$1028	$1285
35,000	371	549	711	888	*	82,000	544	804	1041	1301
40,000	382	564	731	914	*	83,000	550	814	1054	1317
45,000	392	580	751	939	*	84,000	557	824	1067	1334
50,000	403	596	771	964	*	85,000	564	834	1080	1350
51,000	405	599	775	969	*	86,000	571	844	1093	1366
52,000	407	602	780	974	*	87,000	577	854	1106	1382
53,000	409	605	784	979	*	88,000	584	864	1119	1399
54,000	411	608	788	985	*	89,000	591	874	1132	1415
55,000	413	611	792	990	*	90,000	598	884	1145	1431
56,000	416	614	796	995	*	91,000	605	894	1158	1447
57,000	418	618	800	1000	*	92,000	611	904	1171	1464
58,000	420	621	804	1005	*	93,000	618	914	1184	1480
59,000	422	624	808	1010	*	94,000	625	924	1197	1496
60,000	424	627	812	1015	*	95,000	632	934	1210	1512
61,000	430	635	823	1028	*	96,000	639	944	1223	1529
62,000	435	643	832	1040	*	97,000	645	954	1236	1545
63,000	440	651	843	1054	*	98,000	652	964	1249	1561
64,000	445	658	853	1066	*	99,000	659	974	1262	1577
65,000	451	667	863	1079	*	100,000	666	984	1275	1594
66,000	456	674	873	1091	*	101,000	672	994	1288	1610
67,000	461	682	883	1104	*	102,000	679	1004	1300	1625
68,000	466	690	893	1117	*	103,000	686	1014	1313	1641
69,000	472	698	904	1130	*	104,000	692	1023	1325	1656
70,000	477	705	914	1142	*	105,000	699	1033	1338	1673
71,000	483	714	924	1155	*	110,000	732	1082	1402	1752
72,000	488	721	934	1167	*	120,000	798	1180	1528	1910
73,000	493	729	944	1180	*	130,000	864	1278	1655	2069
74,000	498	737	954	1193	*	140,000	930	1376	1782	2227
75,000	504	745	965	1206	*	150,000	996	1473	1908	2385
76,000	509	752	974	1218	*	160,000	1060	1568	2030	2538
77,000	514	761	985	1231	*	170,000	1124	1662	2152	2690
78,000	519	768	995	1243	*	180,000	1187	1756	2274	2842
79,000	525	776	1005	1257	*	190,000	1251	1850	2395	2994
80,000	530	784	1015	1269	*	200,000	1314	1944	2517	3147
						EACH ADDITIONAL $5,000	32	47	61	76

$ 100 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 1.200
$ 500 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.875
$ 1000 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.788

~~$100,000 LIABILITY, $1,000 MEDICAL~~
~~$ 250 DEDUCTIBLE~~
BRICK, BRICK VENEER CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 261	$ 390	$ 494	$ 649	$ 81,000	$ 389	$ 581	$ 736	$ 967
35,000	269	402	508	669	82,000	394	588	745	979
40,000	276	413	523	688	83,000	398	596	754	992
45,000	284	425	537	707	84,000	403	603	763	1004
50,000	292	436	552	726	85,000	408	610	773	1016
51,000	293	438	555	730	86,000	413	618	782	1028
52,000	295	441	558	733	87,000	418	625	791	1041
53,000	296	443	561	737	88,000	423	633	801	1053
54,000	298	445	564	741	89,000	428	640	810	1065
55,000	299	448	566	745	90,000	433	647	819	1077
56,000	301	450	569	749	91,000	438	655	829	1089
57,000	302	452	572	753	92,000	443	662	838	1102
58,000	304	454	575	756	93,000	448	669	847	1114
59,000	305	457	578	760	94,000	453	677	856	1126
60,000	307	459	581	764	95,000	457	684	866	1138
61,000	311	465	589	774	96,000	462	691	875	1151
62,000	315	470	596	783	97,000	467	699	884	1163
63,000	319	476	603	793	98,000	472	706	894	1175
64,000	322	482	610	802	99,000	477	713	903	1187
65,000	326	488	618	812	100,000	482	721	912	1199
66,000	330	493	625	821	101,000	487	728	921	1212
67,000	334	499	632	831	102,000	492	735	930	1223
68,000	338	505	639	840	103,000	496	742	939	1235
69,000	342	511	647	850	104,000	501	749	948	1247
70,000	345	516	654	860	105,000	506	756	957	1259
71,000	349	522	661	869	110,000	530	792	1003	1319
72,000	353	528	668	879	120,000	578	864	1093	1438
73,000	357	534	676	889	130,000	626	935	1184	1557
74,000	361	539	683	898	140,000	674	1007	1275	1676
75,000	365	545	690	908	150,000	721	1079	1365	1795
76,000	368	551	697	917	160,000	768	1148	1453	1910
77,000	372	557	705	927	170,000	814	1216	1540	2025
78,000	376	562	712	936	180,000	860	1285	1627	2139
79,000	380	568	719	946	190,000	906	1354	1714	2254
80,000	384	574	726	955	200,000	952	1423	1801	2368
					EACH ADDITIONAL $5,000	23	34	44	57

$ 100 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 1.200
$ 500 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.875
$ 1000 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.788

$100,000 LIABILITY, $1,000 MEDICAL
$ 250 DEDUCTIBLE
FRAME CONSTRUCTION

AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10	AMOUNT OF INSUR.	TOWNCLASS 1-6	7-8	9	10
$ 30,000	$ 298	$ 440	$ 573	$ 714	$ 81,000	$ 444	$ 656	$ 853	$1063
35,000	307	453	590	735	82,000	450	664	864	1077
40,000	316	466	607	756	83,000	456	672	875	1090
45,000	325	479	623	777	84,000	461	681	886	1104
50,000	333	492	640	798	85,000	467	689	896	1117
51,000	335	495	644	802	86,000	472	697	907	1131
52,000	337	497	647	806	87,000	478	706	918	1144
53,000	339	500	650	811	88,000	484	714	929	1158
54,000	340	502	654	815	89,000	489	722	940	1171
55,000	342	505	657	819	90,000	495	730	950	1184
56,000	344	508	661	823	91,000	501	739	961	1198
57,000	346	510	664	827	92,000	506	747	972	1211
58,000	347	513	667	832	93,000	512	755	983	1225
59,000	349	515	671	836	94,000	517	764	993	1238
60,000	351	518	674	840	95,000	523	772	1004	1252
61,000	356	525	683	851	96,000	529	780	1015	1265
62,000	360	531	691	861	97,000	534	788	1026	1278
63,000	364	538	700	872	98,000	540	797	1037	1292
64,000	369	544	708	882	99,000	545	805	1047	1305
65,000	373	551	716	893	100,000	551	813	1058	1319
66,000	377	557	725	903	101,000	557	822	1069	1332
67,000	382	564	733	914	102,000	562	829	1079	1345
68,000	386	570	741	924	103,000	568	838	1090	1358
69,000	391	577	750	935	104,000	573	845	1100	1371
70,000	395	583	758	945	105,000	578	854	1111	1384
71,000	399	589	767	956	110,000	606	894	1163	1450
72,000	404	596	775	966	120,000	661	975	1268	1581
73,000	408	602	784	977	130,000	715	1056	1374	1712
74,000	412	609	792	987	140,000	770	1136	1479	1843
75,000	417	615	801	998	150,000	825	1217	1584	1974
76,000	421	622	809	1008	160,000	878	1295	1685	2100
77,000	426	628	818	1019	170,000	930	1373	1786	2226
78,000	430	635	826	1029	180,000	983	1450	1887	2352
79,000	435	641	834	1040	190,000	1035	1528	1988	2478
80,000	439	648	843	1050	200,000	1088	1606	2089	2604
					EACH ADDITIONAL $5,000	26	39	51	63

$ 100 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 1.200
$ 500 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.875
$ 1000 DED. PREMIUMS - MULTIPLY THE $ 250 DED. PREMIUM BY 0.788

CHECKING LIST FOR LANDLORDS PACKAGE POLICY

Printing dates are shown on each page to facilitate identification of different editions, but have no direct connection with the effective date of the page.

PREMIUM SECTION

Enclosed: Page 3 through 10 dated 4-1-2008

Withdrawn: Page 3 through 10 dated 3-20-2006

Supporting Document Schedules

		Review Status:	
Satisfied -Name:	AR - NAIC P&C TRANSMITTAL DOCUMENT, RateRuleSchedule01.doc, StateFilingForms01.doc, OtherActSupport01.pdf	Accepted for Informational Purposes	02/25/2008

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
RateRuleSchedule01_doc.PDF
StateFilingForms01_doc.PDF
OtherActSupport01_pdf.PDF

Property & Casualty Transmittal Document

1. **Reserved for Insurance Dept. Use Only**	**2. Insurance Department Use only**
	a. Date the filing is received:
	b. Analyst:
	c. Disposition:
	d. Date of disposition of the filing:
	e. Effective date of filing:
	New Business
	Renewal Business
	f. State Filing #:
	g. SERFF Filing #:
	h. Subject Codes

3.	**Group Name**	**Group NAIC #**
	Allstate	008

4.	**Company Name(s)**	**Domicile**	**NAIC #**	**FEIN #**	**State #**
	Allstate Insurance Company	IL	19232	36-0719665	

5.	**Company Tracking Number**	R19560

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	**Name and address**	**Title**	**Telephone #s**	**FAX #**	**e-mail**
	Carrie M. Deppe 2775 Sanders Road, Suite A5 Northbrook IL 60062	Assistant State Filings Manager	800-366-2958 Ext. 22774	847-402-9757	cdepp@allstate.com

7.	Signature of authorized filer	Carrie M. Deppe
8.	Please print name of authorized filer	Carrie M. Deppe

Filing Information (see General Instructions for descriptions of these fields)

9.	**Type of Insurance (TOI)**	05.0 Commercial Multi-Peril - Liability & Non-Liability
10.	**Sub-Type of Insurance (Sub-TOI)**	05.0003 Commercial Package
11.	**State Specific Product code(s) (if applicable) [See State Specific Requirements]**	Landlords Package Policy
12.	**Company Program Title** (Marketing Title)	
13.	**Filing Type**	☒ Rate/Loss Cost ☐ Rules ☐ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	**Effective Date(s) Requested**	New: 04/21/2008 Renewal: 06/05/2008
15.	**Reference Filing?**	☐ Yes ☒ No
16.	**Reference Organization** (if applicable)	Not applicable
17.	**Reference Organization # & Title**	Not applicable
18.	**Company's Date of Filing**	February 15, 2008
19.	**Status of filing in domicile**	☒ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved

Property & Casualty Transmittal Document

20.	**This filing transmittal is part of Company Tracking #**	R19560

21.	**Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

Attached are exhibits supporting an overall 10.2% increase to the Arkansas Allstate Insurance Company Landlords Package Policy Program. With this filing, Allstate is proposing a flat base rate increase. Based on 2007 written premium at current rate level of $3,080,546, this rate change will generate approximately $314,216 in additional annual premium.

We are targeting an implementation date of April 21, 2008 for all new business written and renewals processed on or after April 21, 2008 and renewal business effective on or after June 5, 2008.

22.	**Filing Fees** (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: Not applicable. Fee submitted via EFT.
Amount: $100.00

Rate filing

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	**This filing transmittal is part of Company Tracking #**	R19560

2.	**This filing corresponds to form filing number** (Company tracking number of form filing, if applicable)	

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

3.	**Filing Method (Prior Approval, File & Use, Flex Band, etc.)**	File & Use

4a. Rate Change by Company (As Proposed)

Company Name	**Overall % Rate Impact**	**Written premium change for this program**	**# of policyholders affected for this program**	**Written premium for this program**	**Maximum % Change** (where required)	**Minimum % Change** (where required)
Allstate Insurance Company	10.2%	$314,216	5,746	$3,080,546	12.4%	6.7%

4b. Rate Change by Company (As Accepted) For State Use Only

Company Name	**Overall % Rate Impact**	**Written premium change for this program**	**# of policyholders affected for this program**	**Written premium for this program**	**Maximum % Change**	**Minimum % Change**

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	**STATE USE**
5a.	**Overall percentage rate impact for this filing**		
5b.	**Effect of Rate Filing - Written premium change for this program**		
5c.	**Effect of Rate Filing - Number of policyholders affected**		

6.	**Overall percentage of last revision**	**8.8%**
7.	**Effective Date of last rate revision**	**3/20/06**
8.	**Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)**	**File & Use**

9.	**Rule # or Page # Submitted for Review**	**Replacement or withdrawn?**	**Previous state filing number, if required by state**
01	Rate Pages 3-10	☐ New ☒ Replacement ☐ Withdrawn	
02		☐ New ☐ Replacement ☐ Withdrawn	
03		☐ New ☐ Replacement ☐ Withdrawn	

FORM RF-1 Rate Filing Abstract NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	R19560
2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/Item Filing Number	n/a

		Company Name		Company NAIC Number
3.	**A.**	Allstate Insurance Company	**B.**	19232
		Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Business (i.e., Sub-type of Insurance)
4.	**A.**	Commercial Multi Peril	**B.**	

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	FOR LOSS COSTS ONLY (E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Landlords Package Policy	10.2%	10.2%	64.6%	n/a	n/a	n/a	n/a
TOTAL OVERALL EFFECT							

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
3/31/2007	6,827	-	-	3,777	468	12.4	43.3%
3/31/2006	7,291	8.8%	3/20/06	4,010	1,118	27.9	42.2%
3/31/2005	6,394	-	-	3,476	1,718	49.4	43.8%
3/31/2004	5,563	-	-	3,016	2,157	71.5	38.6%
3/31/2003	4,935	-	-	2,781	1,348	48.5	41.1%

7.

Expense Constants	Selected Provisions
A. Total Production Expense	17.2%
B. General Expense	3.6%
C. Taxes, Licenses & Fees	3.0%
D. Underwriting Profit & Contingencies	10.77%
E. Other (explain)	
F. TOTAL	

8. N Apply Loss Cost Factors to Future filings? (Y or N)

9. 12.4% Estimated Maximum Rate Increase for any Insured (%) Territory (if applicable): ____________

10. ____________ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): ________________________________

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY

ARKANSAS

INDEX OF ATTACHMENTS

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

SUMMARY OF PROPOSED CHANGE

INDICATED RATE LEVEL CHANGE: 10.2%

SELECTED RATE LEVEL CHANGE: 10.2%

	Written Premium @CRL As of 1/15/08	Total Change
Base Premium	$ 3,037,638	10.3%
Additional Coverages	$ 42,908	N/C
Total	$ 3,080,546	10.2%

**ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS**

ACTUARIAL STANDARDS OF PRACTICE

This document confirms compliance with the following Actuarial Standards of Practices that are applicable to the preparation of statewide rate filings performed by casualty actuaries as stated in "Applicability Guidelines for Actuarial Standards of Practice" (American Academy of Actuaries, September 2004). In addition, references to relevant sections of this filing are included, where applicable.

- Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*
  - Att B, Page 2: Material Changes in Data, Assumptions, or Methods
  - Att B, Pages 3-4: Determination of Statewide Rate Level Indication Explanatory Memorandum
- Actuarial Standard of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*
  - Att B, Pages 3-4: Determination of Statewide Rate Level Indication Explanatory Memorandum
  - Att B, Pages 7-8: Development of Provision for Non-Catastrophe Loss and LAE Provision Explanatory Memorandum
  - Att B, Pages 10-11: Development of Projected Average Premium at Current Rates Explanatory Memorandum
  - Att B, Pages 20-21: Expenses and Investment Income
- Actuarial Standard of Practice No. 23, *Data Quality*
  - Att B, Pages 3-4: Determination of Statewide Rate Level Indication Explanatory Memorandum
- Actuarial Standard of Practice No. 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*
  - Att B, Pages 20-25: Expenses and Investment Income
- Actuarial Standard of Practice No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*
  - Att B, Pages 20-25: Expenses and Investment Income
- Actuarial Standard of Practice No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*
  - Att B, Pages 13-19: Development of the Catastrophe Provision
- Actuarial Standard of Practice No. 41, *Actuarial Communications*
  - Applies to this filing in its entirety

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

MATERIAL CHANGES IN SOURCES OF DATA, ASSUMPTIONS, OR METHODS

This document lists all material changes in sources of data, assumptions, or methods from the last Allstate rate level indication filing. These changes are further described in the subsequent memos in compliance with Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations.*

- Accident Year Weights
  - Use of equal year weights among all accident years, as described in Att B, Pages 8 and 11
- Accident Year Loss Data
  - Use of accident year data, rather than calendar year, as described in Att B, Page 3
- Loss Trends
  - Updated methodology for calculating frequency and severity amounts as described in Att B, Page 7
  - Selected separate historical and projected loss trends as described in Att B, Page 7
- Provision for General and Other Acquisition Expenses
  - Use of three-year average, rather than 12-month moving, earned premium to calculate the provision as described in Att B, Page 20
  - Methodology change for calculating the provision for fixed expense trend as described in Att B, Page 21
- Profit Provision
  - Update to methodology as described in Att B, Page 20
- Current Rate Level
  - Factors to current rate level calculated using the "Miller-Davis-Karlinski" method, rather than the "parallelogram method", as described in Att B, Page 10
- Premium Trends
  - Selected separate historical and projected loss trends as described in Att B, Page 11
- Catastrophe Adjustment
  - Catastrophe provision adjusted as described in Att B, Page 13

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

SUMMARY OF THE DEVELOPMENT OF STATEWIDE RATE LEVEL INDICATION

The data used in the calculation of the rate level indication was selected in accordance with the considerations listed in Section 3.2 of Actuarial Standard or Practice No. 23, *Data Quality*. The calculation of the rate level indication is consistent with the Statement of Principles Regarding Property and Casualty Insurance Ratemaking.

In developing rate level indications, Allstate projects estimated losses, expenses, cost of capital, and premium for underlying trends that are expected to produce changes in the average loss cost and average premium amount between the experience period of the data and the period for which the proposed rates will be in effect. The proposed effective date of the indication is 1-1-08. This is consistent with the Casualty Actuarial Society ratemaking literature.

The determination of the overall indication of 10.2% is included on **Exhibit 1** with an explanatory memorandum on **Page 5**.

Non-Catastrophe Losses and Loss Adjustment Expense

With this filing, Allstate is changing from a Loss Ratio method to a Pure Premium method when developing the indicated provision for loss and loss adjustment expense. Support for the development of the weighted non-catastrophe loss and loss adjustment expense provision is included on **Pages 7 through 8** and **Exhibit 2.**

In addition, we are changing the underlying data used in developing the non-catastrophe losses from a calendar year basis to an accident year basis. This change in methodology more accurately matches the non-catastrophe losses to both premium and exposures used throughout the indication.

Expected Catastrophe Loss and Loss Adjustment Expense

Support for the development of the expected catastrophe loss and loss adjustment expense is included on **Page 12** and **Exhibit 7.**

Expenses

With this filing, we are modifying our methodology to develop the indicated provision for fixed expenses. Please see the Expenses and Investment Income Explanatory Memorandum on **Pages 20 through 22** for more information on this modification.

Consistent with past filings, we have also included the effect of investment income in the development of the underwriting profit provision for Arkansas. The supporting calculations for the investment income calculations are explained in greater detail on **Page 21** and **Exhibits 12 and 13.**

Projected Average Premium

Support for the development of the projected average earned premium at current rates is included on **Pages 10 through 11** and **Exhibit 4**.

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

DETERMINATION OF STATEWIDE RATE LEVEL INDICATION
EXPLANATORY MEMORANDUM

Exhibit 1 shows the development of the indicated rate level change. An explanation of the development, with reference to supporting exhibits, is provided below.

1. Indicated Provision for Loss and Loss Adjustment Expense:
   Indicated provision for non-catastrophe loss and loss adjustment expense (LAE) developed on **Exhibit 2** plus indicated provision for catastrophe loss and LAE developed on **Exhibit 7**. Please refer to **Page 7** and **Page 12**, respectively, for the explanatory memorandums.

2. Current Fixed Expense Ratio:
   Provisions for general and other acquisition expenses, and license and fees are found on **Pages 20 through 22** and **Exhibit 11**.

3. Three Year Average Earned Premium:
   Average earned premium for Allstate Insurance Group between January 1, 2004 and December 31, 2006 is used in the development of the indicated dollar provision for Fixed Expenses.

4. Current Dollar Provision for Fixed Expenses: (2) x (3)
   Average premium is multiplied by the current fixed expense ratio.

5. Factor to Adjust for Subsequent Change in Fixed Expense:
   This factor represents the fixed expense trend, projected from the average earned date of the period considered in the calculation of the average earned premium to the average earned date of the proposed policy period.

6. Indicated Provision for Fixed Expense: (4) x (5)
   The current provision for fixed expenses multiplied by the fixed expense trend. This represents the portion of our indicated premium needed to pay fixed expenses.

7. Variable Expense and Profit Ratio:
   Expense ratios for commissions, taxes, and profit and (contingencies) found on **Pages 20 through 25** and **Exhibit 11 and Exhibit 13**.

8. Indicated Average Premium: [(1) + (6)] / [1.0 - (7)]
   The ratio of the indicated provision to pay catastrophe and non-catastrophe losses, loss adjustment expense, and fixed expenses to the complement of the provision for variable expenses.

9. Projected Average Earned Premium at Current Rates:
   Projected Average Earned Premium developed on **Page 10 through 11** and **Exhibit 4**.

10. Indicated Rate Level Change: [(8) / (9) - 1.0]
The indicated average premium as a ratio of the average premium at current rate level determines the indicated rate level change.

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

DEVELOPMENT OF PROVISION FOR NON-CATASTROPHE LOSS AND LAE PROVISION
EXPLANATORY MEMORANDUM

The numerical references in this memorandum correspond to the numbering sequence found on **Exhibit 2**.

(1) Earned Exposures:
Earned exposures for the 12-month periods ending March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006, and March 31, 2007 for Allstate Insurance Company.

(2) Accident Year Non-Catastrophe Ultimate Losses:
Non-catastrophe accident year losses including allocated loss adjustment expenses for the 12-month periods ending March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006, and March 31, 2007 for Allstate Insurance Company developed to ultimate. Refer to **Page 9**, Loss Development Methodology for detail on the selection of ultimate losses.

(3) Non-Catastrophe Ultimate Loss and LAE:
Losses in the experience period have been adjusted to account for non-hurricane unallocated loss adjustment expenses (ULAE). A provision is developed using countrywide Allstate Insurance Group data. A three-year average of the ratios of countrywide calendar year ULAE to countrywide calendar year incurred losses is used to determine the ULAE provision. The average ratio is then applied to the losses for each year used in the formula calculation. The ULAE ratio that used in this filing is shown in **Exhibit 14**.

(4) Factor to Adjust Losses for Pure Premium Trend:
In calculating our rate level indication, we use historical losses from the experience period to project the loss amounts expected to occur in a future policy period. We adjust these historical losses for changes we expect to occur between the average occurrence date in the experience period and the average occurrence date in the future policy period for which we are pricing. In previous filings, Allstate measured frequency as calendar year paid claims divided by calendar year exposures and calculated severity by dividing calendar year paid losses by calendar year paid claims, unadjusted for changing exposure levels. In order to more appropriately account for changes in exposure levels, Allstate is adjusting the calculations underlying frequencies and severities. Beginning with this filing, Allstate will employ a new methodology of calculating frequency and severity amounts that more consistently matches the losses and claims paid with the exposures that produced the claims. This methodology is described in "The Effect of Changing Exposure Levels on Calendar Year Loss Trends" (*Casualty Actuarial Society Forum,* Winter 2005) by Chris Styrsky.

We selected a trend factor of 7.0% and a projection factor of 7.0%. Selections were based on Allstate Insurance Company data. **Exhibit 3** displays the twenty-four-, twelve-, and six-point paid pure premium trends for Arkansas Allstate Insurance Company Landlords Package Policy. Because of the limited amount of Arkansas Allstate Insurance Company data available, Countrywide Allstate Insurance Company data was used in the selection process. The credibility level of Allstate loss trend data was analyzed based on the number of claims paid in the latest experience year, which is consistent with the criteria for selecting a credibility procedure outlined in Section 3 of Actuarial Standard of Practice No. 25, *Credibility Procedures Applicable to Accident and Health. Group Term Life, and Property/Casualty Coverages.*

This approach for selecting pure premium trends is consistent with the Current Practices and Alternatives detailed in Section 4 of Actuarial Standards of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking.*

(5) <u>Projected Non-Catastrophe Ultimate Loss and LAE: (3) x (4)</u>

(6) <u>Projected Average Non-Catastrophe Loss and LAE: (5) / (1)</u>

(7) <u>Experience Year Weight</u>:
A weight is applied to each year in order to appropriately consider responsiveness and stability.

(8) <u>Indicated Provision for Non-Catastrophe Loss and Loss Adjustment Expense:</u>

The experience year weight is applied to the Projected Average Non-Catastrophe Losses and LAE.

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

LOSS DEVELOPMENT METHODOLOGY
EXPLANATORY MEMORANDUM

Allstate has developed accident year losses (including allocated loss adjustment expense) to ultimate settlement levels using the Link Ratio method.

Loss development factors were based on Arkansas Allstate Insurance Company data.

To calculate estimated ultimate losses using the Link Ratio methods, historical age-to-age link ratios are calculated, which represent loss development between different evaluation periods. An average of the historical link ratios is then used to estimate the ultimate level of paid losses to be used in ratemaking. This method assumes that historical loss development patterns can be used to estimate future loss development on current immature claims.

Refer to **Exhibit 6** for the loss development using the Link Ratio Method. Please note that the actual five year average loss development factors were selected to project current losses to ultimate settlement level.

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

DEVELOPMENT OF PROJECTED AVERAGE EARNED PREMIUM AT CURRENT RATES
EXPLANATORY MEMORANDUM

The numerical references in this memorandum correspond to the numbering sequence found on **Exhibit 4.**

(1) Earned Exposures:
Earned exposures for the 12-month periods ending March 31, 2003, March 31, 2004, March 31, 2005, March 31, 2006, and March 31, 2007 for Allstate Insurance Company.

(2) Earned Premium at Current Rates:
The experience year earned premiums must be adjusted to represent the premiums that would be developed if all policies had been written at the current premium level. All premiums in the experience period were adjusted to current rate level in Arkansas. We use the Miller-Davis-Karlinski method to bring premiums to current rate level prior to calculating the changes in average premium (the premium trends).

All premiums in the experience period were adjusted to current rate level in Arkansas. Previously, Allstate has calculated the factors to current rate level using the industry-standard parallelogram method, which assumes that exposures are written uniformly throughout the year. With this filing, Allstate has adopted a more refined methodology that assumes that exposures are written uniformly by month, using a procedure described in a discussion by Frank Karlinski of the paper entitled "A Refined Model for Premium Adjustment", by David Miller and George Davis. (Mr. Karlinski's discussion appeared in the Proceedings of the Casualty Actuarial Society (PCAS), Vol. LXIV, 1977, and the paper by Miller and Davis appeared in the PCAS, Vol LXIII, 1976). This method (which we call "Miller-Davis-Karlinski"), more accurately calculates factors to current rate level in instances when exposures are changing throughout the year, whether through growth, shrinkage or seasonality. (When exposures are, in fact, written uniformly throughout the year, this method produces approximately the same answers as the parallelogram method.)

The date and percentage effect of prior premium level adjustments are as follows:

Date	Change
4/22/02	19.5%
3/20/06	8.8%

Therefore, the current rate level factors that are applied to Earned Premium are as follows:

12 Months Ending	Factor
3/31/03	1.213
3/31/04	1.091
3/31/05	1.088
3/31/06	1.088
3/31/07	1.052

(3) Factor to Adjust to Projected Premium Level:
Changes in the average written premium at the current premium level were reviewed. Based upon this review, historical premium trends were selected to account for shifts in the distribution of various underlying factors. Since the effects on losses caused by these shifts are reflected in the loss trends, it is important that Allstate also account for the anticipated future changes in premiums. Therefore, projected premium trend was taken into consideration when calculating the rate level need.

Annual selections are used to project the data from the average occurrence date of the experience period to the average occurrence date of the future policy period. Selections were based on Allstate Insurance Company data. We selected a trend factor of 3.0% and a projection factor of 3.0%. **Exhibit 5** displays the twenty-four-, twelve-, and six-point written premium trends for Allstate Insurance Company in Arkansas supporting these selections.

This approach for selecting premium trends is consistent with the Current Practices and Alternatives detailed in Section 4 of Actuarial Standards of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking.*

(4) Projected Earned Premium at Current Rates: (2) x (3)

(5) Projected Average Earned Premium at Current Rates: (4) / (1)

(6) Experience Year Weights:
A weight is applied to each year in order to appropriately consider responsiveness and stability.

(7) Projected Average Earned Premium at Current Rates:
The experience year weights are applied to the projected average earned premium at current rates.

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

DEVELOPMENT OF CATASTROPHE PROVISION AND LAE EXPLANATORY MEMORANDUM

The numerical references in this memorandum correspond to the numbering sequence on **Exhibit 7.**

(1) Earned Exposures for 12-month period ending 3/31/2007

(2) Earned AIY* for 12-month period ending 3/31/2007

(3) Average Earned AIY (2) / (1)

(4) Factor to Adjust to Projected AIY Level:
The Amount of Insurance Years must be adjusted to represent the AIY's that we expect to be in force during the policy period. Selections were based on Allstate Insurance Company data. **Exhibit 8** shows the twenty-four-, twelve-, and six-point average AIY trends for Arkansas. We have selected a 5.0% provision to project the AIY's to the average earned date of the proposed policy period.

(5) Average AIY Projected to 12/31/2008: (3) x (4)

(6) Total Catastrophe Provision Per AIY including all LAE:
Developed on **Exhibits 9 through 10,** with explanatory memorandum on **Pages 13 through 19.**

(7) Expected Catastrophe Pure Premium: (5) x (6)

*1 AIY = One Amount of Insurance Year
= $1,000 of Coverage in Force for One Year.

ALLSTATE INSURANCE COMPANY
LANDLORD PACKAGE POLICY
ARKANSAS

EXPLANATORY MEMORANDUM
DEVELOPMENT OF THE CATASTROPHE PROVISION

Allstate quantifies its exposure to losses due to the occurrence of catastrophic events within a state. For ratemaking purposes, all actual catastrophe losses are removed from the state's loss data. A provision for catastrophes is developed to reflect the best estimate of Allstate's annual expected levels of catastrophe losses.

Since the Allstate Insurance Group Landlord Package Policy catastrophe loss data is only available since 1987, the Allstate Insurance Group Landlord Package Policy data does not, in itself, provide a sufficiently credible basis for determining a catastrophe provision. Thus, the catastrophe provision is developed using the state's historical Allstate Insurance Group Landlord Package Policy catastrophe data and the Allstate Insurance Group Homeowners catastrophe provision. The development of this provision has been updated to include 2006 data.

The catastrophe provision is the product of the Allstate Insurance Group Homeowners catastrophe provision and the Allstate Insurance Group Landlord Package Policy to Homeowners catastrophe ratio. The development of the Arkansas Landlord Package Policy catastrophe provision is shown on **Exhibit 9** with an explanatory memorandum on **Page 14**.

The total catastrophe provision has also been adjusted to account for the difference in the average amount of insurance between Allstate Insurance Company and Allstate Insurance Group. **Page 19** and **Exhibit 10.1** display the development of the Allstate Insurance Company catastrophe provision for the Arkansas Landlords Package Policy.

ALLSTATE INSURANCE GROUP
LANDLORD PACKAGE POLICY
ARKANSAS

DEVELOPMENT OF THE TOTAL CATASTROPHE PROVISION
EXPLANATORY MEMORANDUM

The numerical references in this memorandum correspond to the numbering sequence on **Exhibit 9**.

1. <u>Year:</u> Calendar Year

2. <u>Landlord Package Policy Amounts of Insurance Years (AIY)</u>:
One Amount of Insurance Year (AIY) equals $1,000 worth of dwelling coverage in force for one year.

3. <u>Landlord Package Policy Catastrophe Incurred Losses</u>:
Catastrophe incurred losses excluding earthquake losses.

4. <u>Landlord Package Policy Catastrophe Ratio</u>: (3) / (2)
The ratio of Landlords Package Policy catastrophe incurred losses to AIY.

5. <u>Homeowners Amount of Insurance Years</u>:
One Amount of Insurance Year (AIY) equals $1,000 worth of dwelling coverage in force for one year.

6. <u>Homeowners Catastrophe Incurred Losses</u>:
Catastrophe incurred losses excluding earthquake losses.

7. <u>Homeowners Catastrophe Ratio</u>: (6) / (5)
The ratio of Homeowners catastrophe incurred losses to AIY.

8. <u>Landlord Package Policy to Homeowners Catastrophe Ratio</u>: [Avg. (4)] / [Avg. (7)]

9. <u>Homeowners Catastrophe Provision</u>:
Developed on **Exhibit 10** with the Explanatory Memorandum on **Pages 15 through 18**.

10. <u>Arkansas Landlord Package Policy Catastrophe Provision</u>: (8) x (9)

11. <u>Landlord Package Policy Catastrophe Provision Including all LAE</u>: (10) x ULAE factor
The current ULAE factor is 1.163, as developed on **Exhibit 14**.

ALLSTATE INSURANCE GROUP (INCLUDES ALLSTATE INSURANCE COMPANY, ALLSTATE INDEMNITY COMPANY, AND ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY)

HOMEOWNERS
ARKANSAS

SUMMARY OF THE TOTAL NON-MODELED CATASTROPHE ADJUSTMENT

Allstate separately identifies and accounts for its exposure to loss due to the occurrence of catastrophic events within a state. The adjustment to account for catastrophes described below is consistent with the Analysis of Issues and Recommended Practices detailed in Section 3.4 of Actuarial Standards of Practice No. 39, *Treatment of Catastrophe Losses in Property/Casualty Insurance Ratemaking*. In order to estimate our non-hurricane, non-earthquake catastrophe exposure, we develop a long-term relativity of each state to our countrywide (excluding California, Florida, New Jersey, and Washington) catastrophe factor based on all years 1981 and beyond. We then apply this relativity to a countrywide catastrophe factor based on the most recent ten years of data. By using this approach, we are able to balance the stability of a long-term estimate of catastrophe potential in Arkansas (needed because of the infrequent occurrence of catastrophes) and the responsiveness of more recent data (needed because of changing demographic conditions).

Within our method we incorporated two procedures designed to stabilize the results of individual states. The first procedure caps losses for years that are uncharacteristic for that state. Relativities above three standard deviations plus the mean for the state are capped. Impacted years are limited to the highest relativity below the cap.

In addition to the capping procedure, we apply credibility to the resulting relativities in the state. The credibility is based on the standard (Buhlmann/Bayesian) credibility method as described in Loss Models, by Klugman, Panjer and Willmot, chapter 5, pages 436 to 441. The credibility reflects the confidence we have in the state's average relativity. In order to develop the credibility, we consider the number of years used to determine the relativity as well as the variance of all states' relativities to countrywide.* The complement of credibility is applied to a relativity of 1.000.

A result of our capping and credibility process is that the average of all the statewide relativities may no longer equal a countrywide relativity of 1.000. In order to assure an adequate provision for catastrophes on a countrywide basis, the resulting state relativities are adjusted to achieve an overall countrywide relativity of 1.000. The off-balance adjustment is made in proportion to each state's variability as defined by its standard deviation. The final relativity is applied to the countrywide catastrophe factor to develop the Arkansas catastrophe factor.

Pages 17 through 18 and **Exhibit 10** display the Development of the Total Catastrophe Provision of **0.985** for Arkansas. The development of this provision has been updated to include 2006 data. In addition, a modification has been made to the 2001 countrywide catastrophe ratio to better account for significant ice damming losses in a few states.

* Note: The number of years is used rather than exposures (as recommended in the standard model) because increased exposures does not necessarily lead to more stable estimates for catastrophes, particularly when the exposures are geographically concentrated.

ALLSTATE INSURANCE GROUP (INCLUDES ALLSTATE INSURANCE COMPANY, ALLSTATE INDEMNITY COMPANY, AND ALLSTATE PROPERTY AND CASUALTY INSURANCE COMPANY)

HOMEOWNERS
ARKANSAS

DEVELOPMENT OF TOTAL NON-MODELED CATASTROPHE PROVISION
EXPLANATORY MEMORANDUM

The numerical references in this memorandum correspond to the numbering sequence on **Exhibit 10.**

(1) Calendar Year

(2) Amount of Insurance Years:
One amount of insurance year (AIY) equals $1000 worth of dwelling coverage in force for one year.

(3) Non-Modeled Catastrophe Incurred Loss including ALAE:
Catastrophe incurred losses excluding earthquake losses. Hurricane losses are included in the catastrophe incurred losses.

(4) State Non-Modeled Catastrophe Ratio: (3) / (2)

(5) Countrywide Non-Modeled Catastrophe Ratio:
Countrywide (excluding California, Florida, New Jersey, and Washington) catastrophe ratio excluding earthquake and modeled hurricane losses. Developed by weighting individual state non-modeled catastrophe ratios by 2006 AIYs.

(6) Relativities: (4) / (5)

(7) Relativities Adjusted for the Cap:
Column (6) adjusted for the cap. Impacted years are limited to highest relativity below the cap.

(8) Average Relativities:
Arithmetic mean of relativities.

(9) Standard Deviation

(10) Credibility of Capped Relativities:
Buhlmann/Bayesean credibility factor: # of years / (# of years + average process variance/variance of hypothetical means). The process variance and variance of hypothetical means are calculated using the 26-year capped relativities across all states.

(11) Credibility Weighted Relativity: Row (8) (capped) x (10) + [1.0 - (10)] x 1.000.

(12) Relativity Balanced to Countrywide:
Row (11) balanced to achieve a countrywide relativity of 1.000 in proportion to Arkansas standard deviation (based on capped relativities).

(13) Selected Countrywide Non-Modeled Catastrophe Factor

(14) Arkansas Non-Modeled Catastrophe Factor Excluding All ULAE: (12) x (13)

(15) Arkansas Non-Modeled Catastrophe Provision Including All LAE:
The Non-Modeled Catastrophe Provision from (14) loaded with the ULAE factor found on **Exhibit 14**.

ALLSTATE INSURANCE GROUP
LANDLORD PACKAGE POLICY

DEVELOPMENT OF THE CATASTROPHE PROVISION BY COMPANY
EXPLANATORY MEMORANDUM

The numerical references in this memorandum correspond to the numbering sequence on **Exhibit 10.1**.

(1) Earned Exposures
Earned Exposures for Landlords Package Policy forms.

(2) Projected Average AIYs
The Amount of Insurance Years adjusted to represent the AIY's that we expect to be in force during the policy period.

(3) Expected Catastrophe Loss Relativity
To more appropriately allocate the non-hurricane catastrophe provision between companies, Allstate has researched an Amount of Insurance scale based upon wind and non-hurricane catastrophes. The relativity is based on the average Amount of Insurance by company.

(4) Expected Catastrophe Loss Per Policy:
The total expected catastrophe loss per policy is the total projected average AIY multiplied by the total Allstate Insurance Group Landlords Package Policy catastrophe provision developed on **Exhibit 9**. The total is then allocated by company based on (3).

(5) Indicated Catastrophe Provision –Landlords Package Policy Forms: (4) / (2)

(6) Catastrophe Provision including all LAE:
The Indicated Catastrophe Provision from (5) loaded with the ULAE factor found on **Exhibit 14.**

ALLSTATE INSURANCE GROUP
LANDLORD PACKAGE POLICY
ARKANSAS

EXPENSES AND INVESTMENT INCOME
EXPLANATORY MEMORANDUM

Exhibit 11 and 12 display the development of the expense provisions for Arkansas.

The expense provisions described below were derived in accordance to Section 3.2 of Actuarial Standard of Practice No 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*.

Commission and Brokerage Expense

The proposed commission and brokerage expense provision has been developed from the actual calendar year 2006 commission and brokerage incurred expense ratio in Arkansas. The provision is shown on **Exhibit 11.**

General and Other Acquisition Expense

Provisions
The provisions for other acquisition and general expense are based on countrywide data. Since the methods and procedures that incur these expenses are uniform within each state, it is a reasonable assumption that these expense provisions are uniform across all states. To develop the provision for other acquisition and general expenses, a three-year average of countrywide calendar year incurred expense divided by countrywide calendar year earned premium was calculated. Because premiums charged for the net cost of reinsurance (NCOR) do not include provisions for general and other acquisition expenses, the earned premium used in the development of the general and other acquisition expenses is countrywide direct earned premium less countrywide NCOR premium. The expense figures are taken from the Insurance Expense Exhibit. The provision for Other Acquisition Expense has been reduced by the amount of installment fees collected. In addition, the provision has been adjusted for premiums written off. The General Expense provision has been reduced to account for anticipated salary savings resulting from a workforce-reduction initiative that Allstate completed in early 2006.

Rate Need Calculations
For past filings, in developing the dollar provision for general and other acquisition expenses used in the calculation of our Arkansas rate level need, the three-year countrywide average expense ratio for general and other acquisition expenses was applied to the latest Arkansas twelve-month moving average earned premium. This dollar provision was then adjusted for inflation to calculate the indicated dollar provision for fixed expenses. With this filing, we are modifying this methodology by altering the time period used for the development of the Arkansas average earned premium. The three-year countrywide average expense ratio will continue to be applied to the Arkansas average earned premium. However, rather than using a twelve-month moving average, the Arkansas average earned premium will now be developed using the same three-year period used in the calculation of the countrywide average expense ratio. An adjustment to the trend period used in the calculation of the inflation factor will also be made to account for these changes. This new methodology more consistently aligns the time

periods for the development of both the countrywide expense ratio and the Arkansas earned premium.

Trend (Inflation)
In past Allstate filings, the provision for fixed expense trend was supported by countrywide experience for private passenger auto and personal property lines combined. With this filing, we are implementing a new method for determining this provision that relies mostly on data from the Bureau of Labor Statistics. The method used to calculate the fixed expense trend (inflation factor) is similar to the method used by the Insurance Services Office (I.S.O.) and other competitors to determine a fixed expense trend. The method utilizes the CPI (Consumer Price Index) and the CCI (Compensation Cost Index – Insurance Carriers, Agents, Brokers, & Service) and is discussed by Geoffrey Todd Werner, FCAS, MAAA in his paper Incorporation of Fixed Expenses, which was published in the *CAS Forum* (Winter 2004). Based on a review of the historical indices, an annual percentage change is selected for each index. These selected annual percent changes are then weighted together using the distribution of the Allstate expenditures in the latest calendar year for the two broad expense categories that these indices represent. This method is expected to produce stable and reasonable estimates of the true trend in fixed expenses and is consistent with the Current Practices and Alternatives detailed in Section 4 of Actuarial Standards of Practice No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking.*

The expense provisions for other acquisition and general expenses are shown on **Exhibit 15**.

Taxes, Licenses & Fees

The provision for taxes is determined by taking the currently prescribed Arkansas premium tax ratio and adding to that the arithmetic average ratio of other assessments that vary by the size of the premium from the latest five calendar years in Arkansas. A provision for licenses and fees that do not vary by premium size is determined by taking the arithmetic average ratio of these licenses and fees from the latest three calendar years in Arkansas. The provision for licenses and fees is considered, along with the general and other acquisition expense provisions, to be a fixed expense.

Profit Provision

The cost of equity capital reflects developments in the field of financial economics as published in the *Casualty Actuarial Society Forum*, Winter, 2004 and in *Journal of Risk and Insurance, Vol. 72, No. 3, September 2005* ("Estimating the Cost of Equity Capital For Property-Liability Insurers" by J. David Cummins and Richard D. Phillips).

A discounted cash flow (DCF) methodology is used to calculate the investment income on PHSF. DCF is one of the two examples given in Actuarial Standards of Practice, No. 30 as appropriate methods for recognizing investment income from insurance operations (page 4). The calculations detailing the discounted cash flow methodology are found on **Exhibit 13**. The expected investment yield rate (applied as a force of interest) used to discount losses and expenses includes anticipated net investment income and anticipated capital gains, both realized and unrealized. Operating cash flows are discounted to the average time of earnings of premium and profit for the policy year, rather than to the start of the policy year.

The profit provision is shown on **Exhibit 12**.

A contingency provision of 2% is included.

ALLSTATE INSURANCE GROUP
HOMEOWNERS

CONTINGENCY FACTOR SUPPORT EXPLANATORY MEMORANDUM

This memo provides explanation regarding Allstate's methodology for calculating a contingency provision to be used in its Homeowner rate level.

Background

Actuarial Standard of Practice #30 (ASOP #30), Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking, defines the contingency provision for ratemaking purposes as follows: A provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process. ASOP #30 goes on to state that:

- The actuary should include a contingency provision in the rates if assumptions used in ratemaking produce cost estimates that are not expected to equal average actual costs, and if the difference cannot be eliminated by changes in other components of the ratemaking process.

- While estimated costs are intended to equal average actual costs over time, differences between estimated and actual risk transfer costs may be expected in any given year. If a difference persists, the difference should be reflected in the ratemaking calculations as a contingency provision. The contingency provision is not intended to measure the variability of results and is not expected to contribute to profit.

Thus, even if the actuary has available relevant, credible data and uses the best, state-of-the-art actuarial techniques, there may still be instances where estimated future costs differ from actual future costs. The factors causing this situation to occur are outside the actuary's ability to predict and the insurer's ability to control. Examples would include (but not be limited to) court decisions, legislative action and media influence on the public's behavior.

In spite of the inability to foresee specific events, an insurer may look back at recent history and identify past events that triggered unexpected payments. Given the highly regulated nature of the property and casualty insurance industry and the large amounts of money that flow through an insurance organization, it is reasonable to assume that adverse court decisions and similar unexpected events will occur again in the future. Courts and regulatory bodies are likely to continue to respond to lawsuits and other attempts at unexpected application of an insurance policy's coverage. As outlined in the Actuarial Standard of Practice referenced above, these events should be accounted for in ratemaking in the form of a contingency provision.

In his paper Contingency Margins in Rate Calculations, Steven Lehmann argues that the difference between the targeted underwriting profit and the realized underwriting profit can be used as a basis for calculating a contingency provision. He writes that the difference between targeted and realized profit can be caused by many things including court and legislative issues (as mentioned above) and also by dramatic inflation, inadequate residual market rates and other events. There are a couple of reasons why Allstate is not following the specific methodology outlined in Mr. Lehmann's paper. First, the difference between targeted and realized underwriting profit is also influenced by the occurrence of catastrophes during the time period for which the difference is calculated. Mr. Lehmann mentions that one element of a contingency provision should be catastrophe events not adequately anticipated in the ratemaking. Because Allstate does calculate an adequate catastrophe load (theoretically sound and calculated over a sufficiently long period of time), the calculations described in Contingency Margins in Rate Calculations could result in "double-counting" some catastrophe events. This occurs if the calculations are made over a relatively short time period that also contains a significant catastrophe event. Addressing this problem by extending the contingency calculation too far into the past could lead to a provision that might not reflect the current environment. A second reason to depart from Mr. Lehmann's methodology is that we have data resources today that were not available at the time Mr. Lehmann's paper was published (1985). Sophisticated programs allow Allstate to review our claim file narratives to identify specific types of claims that are appropriate to include in support for a contingency provision because they can be representative of unforeseeable events. Taking advantage of advances in computing and data coding, Allstate can exclude claims that are not appropriate to a contingency provision, such as normal catastrophes and regulatory delay situations (regulatory delay can usually be priced for by adjusting assumptions regarding length of time the rates will be in effect). The effect of inflation (which should be captured in pure premium trend selections) is also excluded. For these reasons, Allstate has calculated a contingency provision using a methodology different from (but not inconsistent with) the methodology outlined in Mr. Lehmann's paper.

Allstate Homeowners Contingency Provision calculation

With this filing, Allstate is presenting a method of calculating a contingency provision that allows more specificity around the type of events that are included. We have reviewed experience over approximately a 20-year period and have identified a number of representative events that are appropriate to a contingency provision, due to their unanticipated nature. Considered events include the following: court decisions redefining the cause of loss for earth movement- and landslide-related loss, sinkholes, failure to disclose (in connection with sale of a home), oil tank leakage, foundation slab losses, mold, methamphetamine lab damage, legislated exceptions to policy language, flooding, lead paint poisoning, imminent collapse, terrorism, radiant floor heating systems and dog bites.

Some of these losses are too old to obtain reliable loss data at the claim level of detail. Some events are excluded because, even with sophisticated computer programs, losses are not specifically tracked and so can't be separated from other loss data for inclusion in Allstate's computations. Some events simply did not produce a frequency of loss to materially impact our calculations. However, each event mentioned above illustrates that unforeseen loss does occur. This can be the case when a legislative or court decision expands the scope of Allstate's policy coverage, or when the media unexpectedly focuses attention on a health issue or other item of public concern. Other as-yet-unknown influences that Allstate cannot predict or price for will also likely affect claims payments in the future.

In order to estimate an appropriate contingency provision, we have used a recent group of events (including oil tanks, slab losses, mold and flooding) for which we can obtain more reliable loss data. Issues which triggered payments over several years cannot be considered "unexpected" for an indefinite period of time. In these cases, we have judgmentally included losses from the first 3 years following the initial event. After 3 years we assume that these losses are present in our indications data and that we have priced sufficiently for the event's exposure in our rates. Some events are of shorter duration and so fewer than 3 years of losses are included in the calculations. Note also that data includes some catastrophe losses. As mentioned above, catastrophe losses are more appropriately accounted for in a catastrophe provision rather than in a contingency provision. However, the legislative, media and other influences that generate unexpected losses can also affect catastrophe losses. Therefore, catastrophe losses are included in our analysis when they stem from one of the issues in question. Losses are included for Allstate's Owners, Renters and Condo forms.

Exhibit 16 shows the sum of all claims divided by countrywide homeowners accident year losses from 1996 – 2003 (adjusted for expected catastrophe levels) and adjusted for expense provisions. This time period was chosen to match the time period of losses readily available to us (our claim files older than 1996 cannot be effectively reviewed to extract specific losses). Losses for some events have been adjusted downward to reflect the fact that, despite the sophistication of our analysis, some claims unrelated to the issue in question can be unintentionally included in the loss totals. The indicated contingency provision is 1.9% and the selected provision of 2.0% is also displayed.

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Determination of Statewide Rate Level Indication

1) Indicated Provision for Loss and Loss Adjustment Expense	$405.63
2) Current Fixed Expense Ratio	8.4 %
3) Three Year Average Earned Premium	$457.91
4) Current Dollar Provision for Fixed Expense [(2) x (3)]	$38.43
5) Factor to Adjust for Subsequent Change in Fixed Expense	1.098
6) Indicated Provision for Fixed Expense [(4) x (5)]	$42.20
7) Variable Expense, Contingencies Ratio and Profit Ratio	26.2 %
8) Indicated Average Premium [(1) + (6)] / [1 - (7)]	$606.82
9) Projected Average Earned Premium at Current Rates	$550.54
10) Indicated Rate Level Change [(8) / (9) - 1.0]	10.2 %

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Development of Provision for Non-Cat Loss and LAE
Total All Peril excluding EQ

Development of Provision for Non-Cat Loss and LAE

Fiscal Year Ending	(1) Earned Exposures	(2) Accident Year Non-Catastrophe Ultimate Loss	(3) Non-Cat Ultimate Loss and LAE	(4) Factor to Adjust Losses for Pure Premium Trend	(5) Projected Non-Cat. Ultimate Loss and LAE	(6) Projected Average Non-Cat. Loss and LAE (5) / (1)	(7) Experience Year Weights
3/31/2003	4,935	$467,516	$543,721	1.527	$830,262	$168.24	20 %
3/31/2004	5,563	1,117,671	1,299,852	1.427	1,854,889	333.43	20
3/31/2005	6,394	1,718,495	1,998,610	1.333	2,664,147	416.66	20
3/31/2006	7,291	2,156,859	2,508,427	1.246	3,125,500	428.68	20
3/31/2007	6,827	1,348,440	1,568,236	1.165	1,826,995	267.61	20

(8) Indicated Provision for Non-Cat Loss and LAE

$322.92

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Loss Trends - Pure Premium
Total All Peril excluding EQ

Year Ending	Actual Paid Pure Premium	Annual Change	Exponential Curve of Best Fit 24 pt.	12 pt.	6 pt.
09/01	$199.11	2.88 %	$118.51		
12/01	189.82	-2.79	123.21		
03/02	128.64	-40.07	128.09		
06/02	114.30	-50.36	133.17		
09/02	139.76	-29.81	138.45		
12/02	129.77	-31.64	143.94		
03/03	119.62	-7.01	149.65		
06/03	91.73	-19.75	155.58		
09/03	81.54	-41.66	161.74		
12/03	115.64	-10.89	168.16		
03/04	136.17	13.84	174.82		
06/04	221.53	141.50	181.75		
09/04	241.18	195.78	188.96	$257.14	
12/04	232.65	101.18	196.45	257.23	
03/05	295.04	116.67	204.24	257.32	
06/05	240.49	8.56	212.33	257.42	
09/05	257.89	6.93	220.75	257.51	
12/05	270.15	16.12	229.50	257.61	
03/06	273.02	-7.46	238.60	257.70	$283.36
06/06	277.72	15.48	248.05	257.79	273.75
09/06	258.16	0.10	257.89	257.89	264.47
12/06	287.78	6.53	268.11	257.98	255.51
03/07	237.83	-12.89	278.74	258.08	246.85
06/07	230.32	-17.07	289.79	258.17	238.48

Regression	24 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:	16.82 %	0.15 %	-12.88 %
Countrywide Avg Annual Percent Change Based on Best Fit:	1.28 %	6.70 %	5.20 %
State Credibility based on 198 Paid Claims In Year Ending 6/2007:	14 %	14 %	14 %
Credibility Weighted Annual Trend:	3.46 %	5.78 %	2.67 %

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Development of Projected Average Earned Premium

Development of Projected Average Earned Premium at Current Rates

Fiscal Year Ending	(1) Earned Exposures	(2) Earned Premium at Current Rates	(3) Factor to Adjust to Projected Premium Level	(4) Projected Earned Premium at Current Rates (2) x (3)	(5) Projected Average Earned Premium at Current Rates (4) / (1)	(6) Experience Year Weights
3/31/2003	4,935	$2,312,044	1.203	$2,781,389	$563.60	20 %
3/31/2004	5,563	2,582,470	1.168	3,016,325	542.21	20
3/31/2005	6,394	3,064,903	1.134	3,475,600	543.57	20
3/31/2006	7,291	3,642,397	1.101	4,010,279	550.03	20
3/31/2007	6,827	3,533,646	1.069	3,777,468	553.31	20

(7) Projected Average Earned Premium at Current Rates

$550.54

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Premium Trends

Year Ending	Average Written Premium @ CRL	Annual Change	Exponential Curve of Best Fit 24 pt.	12 pt.	6 pt.
09/01	$463.10	2.14 %	$451.16		
12/01	461.77	0.59	454.07		
03/02	463.83	0.86	457.01		
06/02	468.84	1.79	459.96		
09/02	468.69	1.21	462.94		
12/02	468.50	1.46	465.93		
03/03	468.64	1.04	468.94		
06/03	463.20	-1.20	471.97		
09/03	462.91	-1.23	475.02		
12/03	464.56	-0.84	478.09		
03/04	469.02	0.08	481.18		
06/04	476.23	2.81	484.29		
09/04	479.28	3.54	487.42	$479.32	
12/04	483.48	4.07	490.57	484.05	
03/05	487.06	3.85	493.74	488.82	
06/05	491.09	3.12	496.93	493.65	
09/05	500.91	4.51	500.14	498.51	
12/05	506.14	4.69	503.38	503.43	
03/06	510.46	4.80	506.63	508.40	$509.94
06/06	514.44	4.75	509.90	513.41	514.34
09/06	518.07	3.43	513.20	518.48	518.78
12/06	522.20	3.17	516.52	523.59	523.26
03/07	529.00	3.63	519.85	528.75	527.78
06/07	532.28	3.47	523.21	533.97	532.34

Regression	24 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:	2.61 %	4.00 %	3.50 %

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Calculation of Loss Development Factors
Total All Peril excluding EQ

Incurred Losses †

Fiscal Accident Year Ending	15 Months	27 Months	39 Months	51 Months	63 Months	75 Months	87 Months‡
3/31/1996							987,627
3/31/1997						545,771	545,771
3/31/1998					801,644	775,409	775,409
3/31/1999				947,602	932,262	932,262	932,037
3/31/2000			696,318	669,254	669,254	669,254	669,254
3/31/2001		1,093,256	1,094,246	1,063,179	1,063,179	1,063,179	1,063,179
3/31/2002	637,679	640,315	643,830	688,696	688,696	674,863	
3/31/2003	475,717	470,851	472,606	472,716	472,716		
3/31/2004	1,103,866	1,113,485	1,119,589	1,133,541			
3/31/2005	1,701,358	1,732,132	1,737,609				
3/31/2006	2,060,798	2,172,064					
3/31/2007	1,337,738						

Link Ratios

Development	15 to 27	27 to 39	39 to 51	51 to 63	63 to 75	75 to 87
4th Prior	1.004	1.001	0.961	0.984	0.967	1.000
3rd Prior	0.990	1.005	0.972	1.000	1.000	1.000
2nd Prior	1.009	1.004	1.070	1.000	1.000	1.000
1st Prior	1.018	1.005	1.000	1.000	1.000	1.000
Latest	1.054	1.003	1.012	1.000	0.980	1.000
Average:	1.015	1.004	1.003	0.997	0.989	1.000
Selected:	1.015	1.004	1.003	0.997	0.989	1.000

Selected Methodology Link Ratio Method (avg w/o excluded link ratios)

Loss Development Period (months):	15 - 87	27 - 87	39 - 87	51 - 87	63 - 87
Loss Development Factor:	1.008	0.993	0.989	0.986	0.989

†Includes ALAE
‡Includes supplemental reserves in addition to case reserves

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Development of Provision for Catastrophe Loss and LAE

1) Earned Exposures	6,827
2) Earned AIY*	636,476
3) Average Earned AIY (2)/(1)	93.23
4) Factor to Adjust to Projected Average AIY Level	1.116
5) Average AIY Projected to 12/31/2008 (3)*(4)	104.04
6) Total Catastrophe Provision per AIY Including All LAE	0.795
7) Expected Catastrophe Pure Premium (5)*(6)	$82.71

*1 AIY = One Amount of Insurance Years = $1000 of Coverage in Force for One Year

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Attachment C
Exhibit 8

AIY Trends

Year Ending	AIY Trends	Annual Change	Exponential Curve of Best Fit 24 pt.	12 pt.	6 pt.
09/01	75.55	3.32 %	73.93		
12/01	76.08	3.17	74.76		
03/02	76.65	3.40	75.61		
06/02	77.01	3.12	76.46		
09/02	77.49	2.57	77.32		
12/02	78.02	2.55	78.19		
03/03	78.27	2.11	79.07		
06/03	78.22	1.57	79.96		
09/03	79.12	2.10	80.86		
12/03	79.93	2.45	81.77		
03/04	81.57	4.22	82.69		
06/04	83.55	6.81	83.63		
09/04	84.26	6.50	84.57	84.37	
12/04	85.11	6.48	85.52	85.40	
03/05	86.06	5.50	86.48	86.44	
06/05	86.96	4.08	87.46	87.49	
09/05	89.09	5.73	88.44	88.56	
12/05	90.54	6.38	89.44	89.63	
03/06	91.56	6.39	90.45	90.72	91.19
06/06	92.04	5.84	91.46	91.83	92.10
09/06	92.61	3.95	92.49	92.94	93.03
12/06	93.73	3.52	93.54	94.07	93.96
03/07	94.97	3.72	94.59	95.22	94.91
06/07	96.14	4.45	95.66	96.38	95.86

Regression	24 pt.	12 pt.	6 pt.
Avg Annual Percent Change Based on Best Fit:	4.58 %	4.96 %	4.08 %

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Development of Total Catastrophe Provision

	Landlords Package Policy			Homeowners		
(1) Year	(2) AIY	(3) Incurred CAT Loss	(4) Loss / AIY	(5) AIY	(6) Incurred CAT Loss	(7) Loss / AIY
1987	311,775	$59,443	0.191	2,706,082	$922,000	0.341
1988	360,193	233,287	0.648	2,722,673	2,406,000	0.884
1989	409,560	421,734	1.030	2,854,035	5,639,000	1.976
1990	451,454	145,856	0.323	2,997,011	902,000	0.301
1991	475,520	95,603	0.201	3,024,869	1,314,000	0.434
1992	461,072	30,617	0.066	2,833,694	554,000	0.196
1993	431,826	4,069	0.009	2,710,739	95,000	0.035
1994	405,024	329,449	0.813	2,803,199	2,207,475	0.787
1995	391,627	179,173	0.458	2,871,367	1,650,609	0.575
1996	374,964	1,511,037	4.030	2,980,889	17,105,643	5.738
1997	363,487	222,407	0.612	3,125,272	2,732,567	0.874
1998	351,775	28,782	0.082	3,282,343	243,869	0.074
1999	337,220	715,166	2.121	3,322,641	10,286,071	3.096
2000	329,031	382,760	1.163	3,420,427	6,983,749	2.042
2001	333,572	101,057	0.303	3,588,393	1,054,082	0.294
2002	371,370	74,894	0.202	3,884,746	821,596	0.211
2003	425,259	112,057	0.264	4,427,465	1,800,646	0.407
2004	511,002	26,566	0.052	5,231,642	1,134,687	0.217
2005	624,971	10,464	0.017	6,068,605	868,082	0.143
2006	709,493	1,547,573	2.181	7,323,099	19,722,171	2.693
		Average	0.739			1.087

8) Ratio of Landlords Package Policy to Homeowners	0.680
9) Homeowners Catastrophe Provision	0.985
10) Arkansas Landlords Package Policy Catastrophe Provision (8) x (9)	**0.670**
11) Landlords Package Policy Catastrophe Provision including all LAE (10) x ULAE	0.779

ALLSTATE INSURANCE GROUP
HOMEOWNERS INSURANCE
ARKANSAS
BASIC CATASTROPHE PROVISION

(1) CALENDAR YEAR	(2) AMOUNT OF INSURANCE YEARS	(3) CATASTROPHE INCURRED LOSS	(4) STATE CATASTROPHE RATIO	(5) COUNTRYWIDE* CATASTROPHE RATIO	(6) RELATIVITIES	(7) RELATIVITIES ADJUSTED FOR CAP OF 7.551 **
1981	2,644,282	1,003,000	0.379	0.242	1.566	1.566
1982	2,308,405	2,313,000	1.002	0.336	2.982	2.982
1983	1,892,706	1,268,000	0.670	0.376	1.782	1.782
1984	1,886,371	3,387,000	1.796	0.496	3.621	3.621
1985	2,022,557	822,000	0.406	0.355	1.144	1.144
1986	2,386,042	1,999,000	0.838	0.223	3.758	3.758
1987	2,706,082	922,000	0.341	0.212	1.608	1.608
1988	2,819,207	2,406,000	0.853	0.261	3.268	3.268
1989	2,996,467	5,639,000	1.882	0.571	3.296	3.296
1990	3,153,771	902,000	0.286	0.583	0.491	0.491
1991	3,171,794	1,314,000	0.414	0.398	1.040	1.040
1992	2,996,917	554,000	0.185	0.767	0.241	0.241
1993	2,859,375	95,000	0.033	0.424	0.078	0.078
1994	2,891,545	2,208,000	0.764	0.843	0.906	0.906
1995	2,948,886	1,651,000	0.560	0.663	0.845	0.845
1996	3,025,076	17,106,000	5.655	0.866	6.530	6.530
1997	3,144,832	2,733,000	0.869	0.267	3.255	3.255
1998	3,302,976	244,000	0.074	0.463	0.160	0.160
1999	3,366,313	10,286,000	3.056	0.520	5.877	5.877
2000	3,486,794	6,984,000	2.003	0.755	2.653	2.653
2001	3,593,939	1,054,000	0.293	0.645	0.454	0.454
2002	3,949,900	822,000	0.208	0.446	0.466	0.466
2003	4,485,912	1,801,000	0.401	0.629	0.638	0.638
2004	5,277,783	1,135,000	0.215	0.309	0.696	0.696
2005 ***	6,206,944	868,000	0.140	0.237	0.591	0.591
2006	7,323,099	19,722,000	2.693	0.528	5.100	5.100
(8) Average Relativity					2.040	2.040
(9) Standard Deviation					1.837	1.837
(10) Credibility						0.901
(11) Credibility Weighted Relativity						1.937
(12) Relativity Balanced to Countrywide						2.053
(13) Countrywide Selected Catastrophe Factor						0.480
(14) Arkansas Catastrophe Factor						0.985
(15) Arkansas Catastrophe Factor Including all LAE						1.146

** Relativities were not impacted by capping process

* Excludes California, Florida, New Jersey, and Washington

**** Starting in 2005, AP&C included

ALLSTATE INSURANCE GROUP
LANDLORDS PACKAGE POLICY
ARKANSAS

Development of Landlords Package Policy Catastrophe Provisions by Company

	(1)	(2)	(3)	(4)	(5)	(6)
Company	**Earned Exposures**	**Projected Average AIYs**	**Expected Catastrophe Loss Relativity**	**Expected Catastrophe Loss Per Policy**	**Indicated Catastrophe Provision**	**Catastrophe Provision including all LAE**
AIC	6,827	104.04	0.802	71.18	0.684	0.795
AI	773	154.09	1.017	90.20	0.585	0.680
Total	**7,600**	**109.13**	**0.824**	**73.12**	**0.670**	**0.779**

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

Summary of Expense Provisions

	Percent Fixed	Expense Provision
Licenses and Fees	100 %	0.1 %
Commissions	0	12.5
Contingency Provision	0	2.0
Taxes †	0	2.9
Other Acquisition	100	4.7
General Expense	100	3.6

† State Taxes - Does not include Federal Income Tax

Development of the Underwriting Profit Provision from a Given Weighted Average Cost of Capital

	Amount
(1) Weighted Average Cost of Capital	14.06 %
(2) Estimated Investment Income on Equity to Total Capital*	4.78 %
(3) After-tax Operating Profit to Total Capital* (1) - (2)	9.28 %
(4) Ratio of Premium to Total Capital*	1.03
(5) After-tax Operating Profit to Premium (3) / (4)	9.01 %
(6) Investment Gain from Policy Cash Flow	3.31 %
(7) After-tax Underwriting Profit Provision (at Present Value) (5) - (6)	5.70 %
(8) Tax Rate**	35.00 %
(9) Pre-tax Underwriting Profit Provision (at Present Value) (7) / [1 - (8)]	8.77 %

* Total Capital = Equity + Debt

** This is the standard federal income tax rate for corporations

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS
Investment Income

Calculation of Present Value, as of the Average Earning Date of a Policy Year, of all Income and Outgo @ 3.95% force of interest, assuming an Operating Profit of 9.01% and twelve month Policy Terms

Years From Start of Policy Year	Cumulative Percent of Losses Paid	Yearly Percent of Losses Paid	Time from Start of Policy Year	Discounted† to Average Time of Profit @ 3.95%	Discounted Payments
1	26.8 %	26.80 %	0.70	1.0119	27.12 %
2	78.7	51.90	1.40	0.9843	51.09
3	87.3	8.60	2.30	0.9499	8.17
4	91.7	4.40	3.50	0.9060	3.99
5	94.2	2.50	4.50	0.8709	2.18
Subsequent	100.0	5.80	7.10	0.7859	4.56
Total					97.11 %
Expected Losses and Loss Expense Ratio					67.43 %
Present Value of Loss and Loss Expense Payments					65.48 %
General Expense		3.6 %	0.75	1.0099	3.64 %
Other Acquisition		4.7 %	0.63	1.0147	4.77 %
Taxes		2.9 %	0.72	1.0111	2.93 %
Commissions		12.5 %	0.58	1.0167	12.71 %
Profit		8.77 %	1.00	1.0000	8.77 %
Licenses and Fees		0.1 %	0.72	1.0111	0.10 %
Total Present Value of Outgo					98.40 %
Premiums		100.0 %	0.57	1.0171	101.71 %
Difference, Present Value of Income Less Present Value of Outgo					3.31 %

*exp (force of interest x (timing of profit being earned - timing of cash flow))

ALLSTATE INSURANCE GROUP*

Personal Property Lines

Countrywide Expense Experience - Unallocated (Adjusting and Other Expense) Factors

2004, 2005, 2006

		2004 - 2006
1. Direct Losses and Allocated Loss Adjustment Expense Incurred excluding Earthquake and Hurricane Losses	$	6,992,664
2. Direct Unallocated Loss Adjustment Expense Incurred excluding Earthquake and Hurricane	$	1,140,700
3. Ratio (2)/(1)		0.163
4. Proposed Provision		0.163

* Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company and Allstate Country Mutual Insurance Company.

SOURCE: Data underlying Insurance Expense Exhibits
(000 Omitted)

ALLSTATE INSURANCE GROUP*

~~Personal Property Lines Excluding Earthquake~~

Countrywide Expense Experience For Other Acquisition and General Expenses

	Other Acquisition Expense		
	2004	2005	2006
1. Direct Premium Less Reinsurance Premium****	$4,973,257	$5,499,808	$5,889,174
2. Other Acquisition Expense Incurred**	228,188	241,685	294,728
3. Ratio (2)/(1)	0.0459	0.0439	0.0500
4. Three Year Average			0.047
5. Proposed Provision			0.047

	General Expense		
	2004	2005	2006
1. Direct Premium Less Reinsurance Premium****	$4,973,257	$5,499,808	$5,889,174
2. General Expense Incurred	197,098	208,035	221,185
3. Ratio (2)/(1)	0.0396	0.0378	0.0375
4. Three Year Average			0.038
5. Proposed Provision***			0.036

SOURCE: Insurance Expense Exhibits
(000 Omitted)

* Allstate Insurance Company, Allstate Indemnity Company, Allstate Property and Casualty Insurance Company and Allstate County Mutual

** Expenses are reduced by the amount of Payment Fees collected and includes Premium Write offs.

***Reduction in force adjustment included

****Premiums for Net Cost of Reinsurance (NCOR) do not include provisions for General and Other Acquisition expenses. Therefore, direct premiums must be reduced by NCOR premiums to get the premium base upon which general and other acquisition expense provisions are applied.

(000's) omitted

Allstate Insurance Group
Homeowners
Contingency Factor Support
Accident years 1996 - 2003

Total estimated loss from unexpected events:	$388,265,584
Total countrywide ex-cat accident year losses:	$14,082,669,021
Indicated contingency provision as percentage of ex-cat loss:	2.80%
Indicated contingency provision as percentage of total loss:	2.10%
Indicated contingency provision adjusted for expenses:	1.90%
Selected contingency provision:	**2.00%**

ALLSTATE INSURANCE COMPANY
LANDLORDS PACKAGE POLICY
ARKANSAS

SUMMARY OF MANUAL CHANGES

RATE PAGES

Revised base rates as shown on Rate Pages 3 through 10. No change was made to the Supplemental Rate Pages.